

RECORD VERSION

STATEMENT BY

**GENERAL PETER J. SCHOOMAKER
CHIEF OF STAFF OF THE ARMY**

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**ON THE ARMY'S RESET STRATEGY
AND PLAN FOR FUNDING RESET REQUIREMENTS**

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America's Army remains at war. This is a war unlike any other in our history and one we will be fighting for the foreseeable future. We are deployed as part of a joint and combined force, serving side-by-side with Marines, Airmen, Sailors, and the representatives of numerous other national and government agencies. This is not just the "Army's War," yet, in light of the scale of our commitment, we bear the majority of the burden. Our Soldiers in Iraq and Afghanistan are the best equipped, best trained, and best led I have ever seen. However, to prevail in the long struggle in which we are now engaged, we must maintain our readiness by resetting those who have deployed – through a disciplined, orderly reconstitution of combat power.

We believe that our Soldiers' effectiveness depends upon a national commitment to recruit, train, equip, and support them properly. This commitment must be underwritten by consistent investment in their equipment and infrastructure. Historically, the Army has been under resourced – and it is a fact that the decade preceding the attacks of September 11, 2001 was no exception. Army investment accounts were underfunded by approximately \$100 billion and 500,000 Soldiers were reduced from total Army endstrength. There were about \$56 billion in equipment shortages at the opening of the ground campaign in Iraq in the spring of 2003. In contrast, at the height of the Second World War, Defense expenditures exceeded 38 percent of our Gross Domestic Product. Today, they amount to about 3.8 percent and are projected to shrink. In this extraordinarily dangerous time for the Nation, we can – *and must* – reverse this trend.

Today we will discuss the magnitude of the Army's reset challenge and our strategy for resourcing this critical requirement. This challenge is one of strategic proportion that demands the support of the Nation. We

have developed and presented a fully integrated plan to best deal with current and future challenges, and to sustain our volunteer Soldiers in this time of war. This plan will enable us to properly reset our Army, while supporting our strategy to transform, to modernize, and to realign our entire global force posture and infrastructure. Our plan is designed to ensure that we remain *relevant* – in our design and orientation – and *ready* – in terms of the depth and breadth of our capabilities, the health of our people, and the overall condition of our equipment – to deal with the challenges we will face, as required by the 2006 Quadrennial Defense Review.

For the last five years, a period longer than World War II, the Army has had as many as 18-20 brigade combat teams deployed on a rotational basis in combat conditions. Counting military and police training/transition teams and base security forces, which are in addition to the brigade combat teams, the Army currently has nearly 35 brigades' worth of Soldiers, leaders, and equipment deployed in our current theaters of operation – more than our estimates over the past two years. Supporting these combat arms formations are: (1) a substantial number of command and control organizations (e.g., Multinational Force-Iraq and Combined Forces Command-Afghanistan); and (2) a large and complex foundation of combat support and combat service support to furnish theater level operational fires, intelligence, engineering, logistics, and other forms of support for joint and Army forces.

This sustained strategic demand has placed a tremendous strain on the Army's equipment which has been employed in the harsh operating environments of Iraq and Afghanistan. In Operation Iraqi Freedom, for example, crews are driving tanks in excess of 4,000 miles per year – five times more than programmed annual usage rates of 800 miles. Army helicopters are experiencing usage rates roughly two to three times programmed rates. Our truck fleet is experiencing some of the most

pronounced problems of excessive wear, operating at five to six times programmed rates. This extreme wear is further exacerbated by the addition of heavy armor kits and other force protection initiatives.

The compounding effect of increasing tempo and severe operating conditions – in combat – is decreasing the life of our equipment. We require greater investment in depot maintenance – an area with unused capacity.

Since 9-11, we have reset and returned over 1,920 aircraft; 14,160 tracked vehicles; and 110,800 wheeled vehicles, as well as thousands of other items, to our operational units. By the end of this year, fiscal year 2006, which will end in three months, we will have placed approximately 290,000 major items of equipment in reset. Approximately 280,000 major items will remain in theater and will not redeploy to be reset until a drawdown is implemented. Our requirement for reset in fiscal year 2007 is \$17.1 billion, which includes \$4.9 billion deferred from fiscal year 2006. In accordance with Office of Management and Budget and the policy of the Defense Department, we rely on supplemental funds to pay for our reset program because reset costs are directly tied to damage and wear resulting from contingency operations.

Reset costs in future years will depend on the level of force commitment; the activity level of those forces; and the amount of destroyed, damaged, or excessively worn equipment. Unless one of these factors changes significantly, the Army expects the requirement beyond fiscal year 2007 to be \$12 to \$13 billion per year through the period of the conflict and for a minimum of two to three years beyond. Any reset requirement that goes unfunded in one year carries over to the following year, increasing that following year's requirement.

The requirement to reset our equipment and return our units to full readiness upon their return from operational deployments is fundamental to the Army's ability to do core tasks: (1) *to sustain the full range of our*

current global commitments (which extend well beyond operations in Iraq and Afghanistan) and, (2) *to continue to prepare for emerging threats*. In and of itself, resetting the force is a major undertaking. Resetting the force – while simultaneously fighting the Global War on Terror and transforming to become a more powerful, more flexible, and more deployable force – is a dramatically more complex task – that necessitates a sustained national commitment and a careful balancing of resources.

To fully appreciate our reset challenge, it is important to establish a common set of definitions. Terms like recapitalization, refurbishment, repair, and replace are often used interchangeably; however, they have very different meanings. *Reset* includes a series of actions taken to restore unit equipment to a desired level of combat capability after returning from contingency operations. The reset process brings unit equipment to full combat-ready condition, either for its next rotation in support of current operations or for other, unknown future contingencies. Reset actions include *repair of equipment* and *replacement of equipment* lost to combat operations or worn to the point of being uneconomically repairable. Reset also includes *recapitalization of equipment* where feasible and necessary. Resetting the force takes time, money, and the full cooperation of our joint and industrial partners. We seek to do this as efficiently and effectively as possible in order to use resources wisely and maintain preparedness for future deployments.

Resetting units is not a one-time event. It is required for all redeploying units. In simplest terms, our reset program is designed to reverse the effects of combat stress on our equipment. Amidst the constant demands of war, higher operational tempo, rough desert environments, and limited depot maintenance in theater, our deployed fleets are aging about four years, on average, for every year deployed in theater – dramatically shortening their life.

Only through a fully funded reset program can we extend the life of the operational fleet and remain ready for protracted conflicts. Where necessary we reset our forces forward to future modular designs, thereby leveraging the opportunity to accelerate our transformation. Rather than returning them to legacy configurations, we are increasing preparedness for future challenges. Every dollar we spend to restore our current capacity actually serves as an investment in future capabilities. We will require a sustained national commitment to complete this essential work.

Reset is a cost of war – that must not be borne at the expense of our modernization efforts. We must not mortgage the future readiness of the force by focusing our resources solely on current challenges. We will not escape the tyranny of rising manpower costs without modernization. With the exception of Future Combat Systems, the Army has not had a major start in modernization in almost four decades. Additionally, our Soldiers rely on and deserve the very best protection and equipment the Nation can provide. With the support of Congress, acting in full partnership with industry, we have dramatically increased the pace of both production and fielding of vehicle armor. We have also accelerated the delivery of other advanced technologies. Taken together, these initiatives have improved our capability not only to protect our Soldiers, but also to provide the Combatant Commanders with the forces and resources required to sustain the full range of our global commitments. Our enemies will continue to adapt their tactics; we must remain ahead of them and place our Soldiers in positions of advantage – by providing to them the best equipment, training, and support that the Nation can provide.

I would like to conclude, as I began, with a message about our Soldiers who are serving in defense of US and allied interests around the globe, deployed in more than 120 countries. Over the past five years at war, in joint and combined environments, Soldiers have carried the lion's share of the load. Since 9-11, more than one million Americans have served in Iraq and Afghanistan. Many are returning for second or third

tours. Our Soldiers understand that this is a struggle in which we must prevail. Despite hardships and dangers, they continue to answer the Call to Duty and enable America to put “boots on the ground” – the Nation’s most visible signal of its commitment to defending national interests.

Americans – men, women, and children – hold our Soldiers and the members of our Armed Forces in the highest regard. They value the commitment of these young men and women to defending the freedoms we enjoy – and to defeating enemies who challenge the values that form the bedrock of our society. I am proud to serve with our Soldiers who volunteer to serve our Nation. To be successful, these Soldiers deserve the best equipment, training, and leadership our nation can provide. Soldiers and their families deserve our support. *It is my belief that we can and must afford it.*

The Nation has paid a heavy price for its historic pattern of unpreparedness at the start of major wars or conflicts. The investment in reset at this time is critical. America cannot afford to allow its Army to fall behind in either its readiness or modernization as a result of our patterns of “upside” and “downside” investment in its defense.

Today, we are on a path to modernize and transform the Total Army into a modular force that is fully trained, manned, equipped, and supported in a manner that will enable sustained operations in theaters of operation like Iraq and Afghanistan, and those that loom on the horizon. It is critical to have your support to build on the progress we have made. Moreover, in light of the Nation’s historic record of uneven investment in our Army, it is vital that we not allow our past to become our prologue – by avoiding the same predicament in which war has always found us.